

SSA Spotlight: International Development Association (IDAWBG)

By Ethan Currie

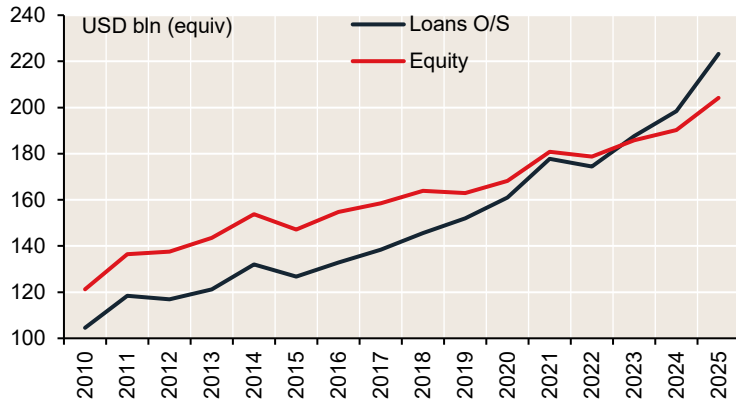
Note: In addition to the information provided in this report, investors are encouraged to consult issuer material directly. IDA's most recent investor presentation can be found [here](#). For additional SSA analysis and resources from NBC, please contact your Capital Markets representative. Recurring reports include NBC's [SSA Monitor](#) and [Fact Sheet](#), while other SSA Spotlights and thematic notes are included in our Market View series—recent examples can be found [here](#) and [here](#).

We've taken a close look at the IDA (Bloomberg ticker: IDAWBG) in past years, but once again put them in the *Spotlight* with one month remaining in their fiscal year. While the vital work of the organization to end extreme poverty can't be understated, we use this *Market View* to highlight IDA as a growing and well-sought issuer in the broader SSA bond space.

IDA's bond issuance helps to scale up lending in pursuit of their mission, so their borrowing program has naturally stepped up with the organization's growing loan book. IDA's exceptionally strong credit profile has allowed for bond issuance to step into a rhythm, as the debt stock has become increasingly liquid and diverse (across currencies and tenors). Benchmark deals have been met with ample / broad investor demand, and further performance—in primary and secondary—is set to continue. That view is only bolstered by a recent announcement of IDA's SEC exempt securities status, which will further enhance supply efficiencies, support a case for (U.S.) asset manager demand (and also demand in the official sector), and keep basis spreads tighter on a go-forward basis. More details on the SEC exemption on page 3.

Chart 1: Visualizing the growing loan book at IDA

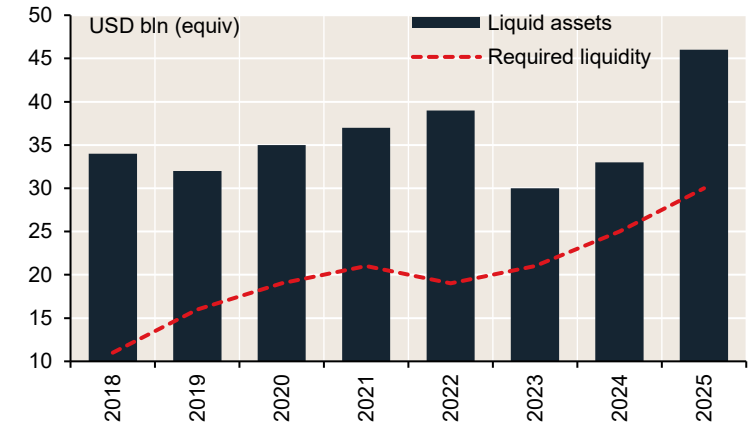
IDA net loans outstanding and total equity by fiscal year



Source: NBC, IDA

Chart 2: Liquid asset coverage remains healthy

IDA actual liquid assets and required liquidity by fiscal year

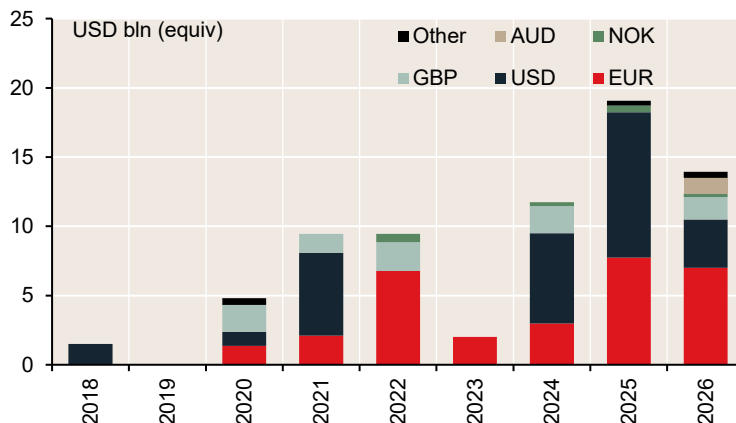


Source: NBC, IDA

IDA's loan book has grown substantially since first established (1960). Loans are well diversified and undergo strict due diligence under a preferred creditor treatment (PCT) whereby clients (developing economies) prioritize obligations to the IDA. The issuer's strong credit rating reflects a combination of this quality portfolio, a diverse sponsor base, and prudent risk / liquidity management.

Chart 3: Bond issuance stepping up with benchmark focus

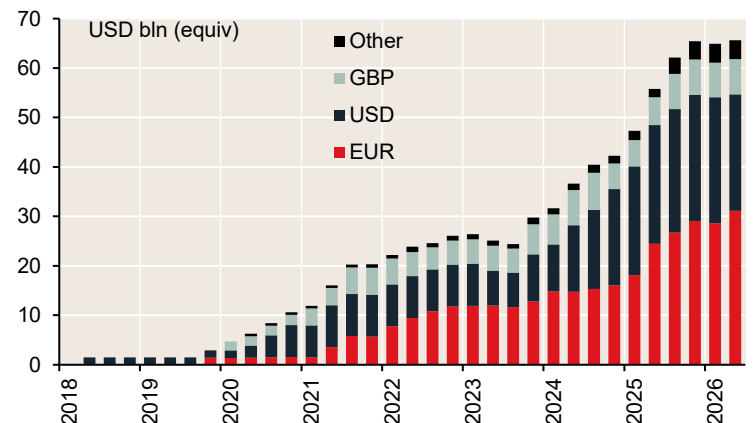
IDAWBG gross bond issuance by fiscal year and currency



Source: NBC, Bloomberg | Note: FY ended 30-Jun; Deals translated at deal date FX

Chart 4: Deeper (and more liquid) pool of IDA bonds

IDAWBG bonds outstanding by currency—quarterly pattern since inception



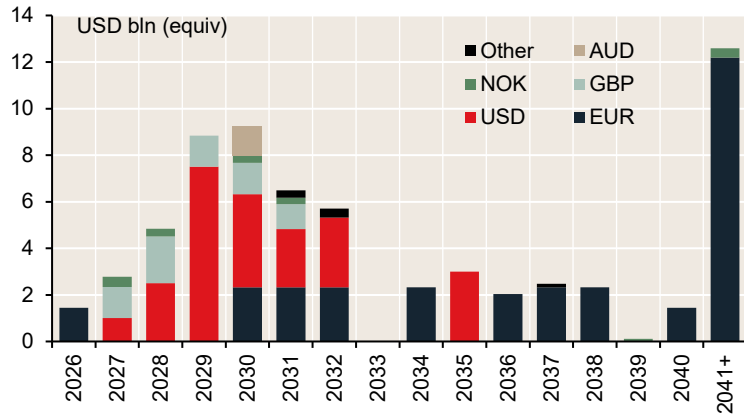
Source: NBC, Bloomberg | Note: Calendar year quarters; last bar denotes latest (27-May-26)

Since issuing its first bond in 2018, IDA issuance has steadily grown, save for a temporary lull in 2023. With ~\$15 bln (USD equiv) issued so far this fiscal year, IDA has added to a growing bond stock, driven by benchmark transactions in core currencies like the USD, EUR, and GBP. The issuer's relevance within the broader SSA space has grown materially in the past two years.



Chart 5: Visualizing IDA's diverse debt stock

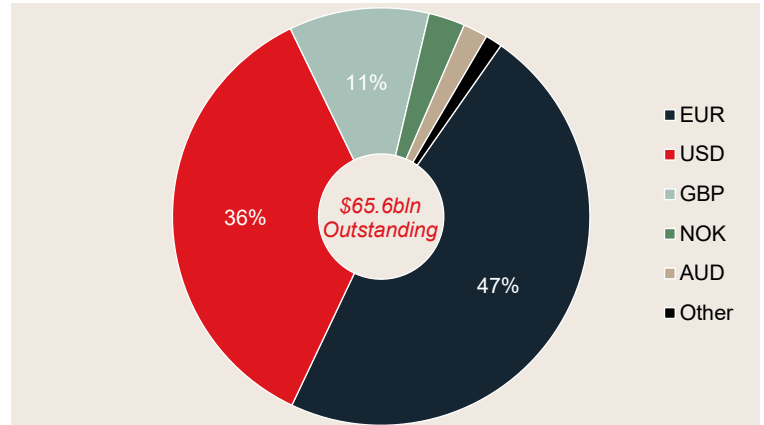
IDA WBG bonds outstanding by maturity year and currency (as at 27-May-26)



Source: NBC, Bloomberg | Note: Current issuer as defined by Bloomberg

Chart 6: Visualizing IDA's diverse debt stock (II)

IDA WBG bonds outstanding by currency (as at 27-May-26)

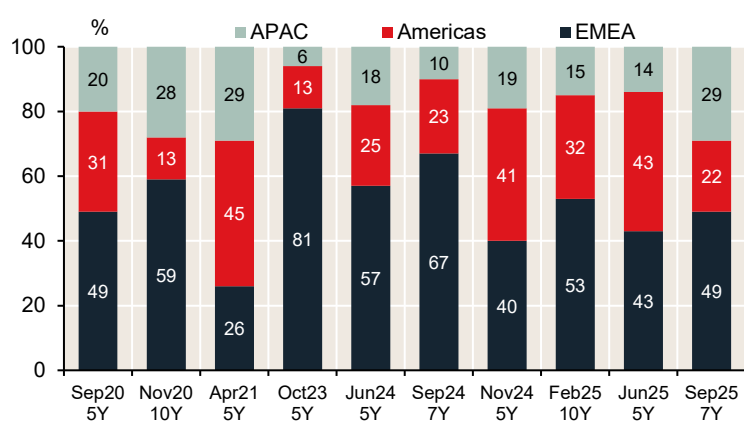


Source: NBC, Bloomberg | Note: Current issuer as defined by Bloomberg; USD equivalent

With over \$65 billion (USD equiv) outstanding across 41 issues, IDA offers up bonds in six currencies and multiple tenors. Nearly half of the issuer's bond stock is denominated in the Euro—the most recent outing earlier this month raised EUR 2 billion on a 15Y bond, a successful term-out that was absorbed predominantly by European asset managers and bank treasuries.

Chart 7: IDA's 12th USD outing attracts diverse buyer base...

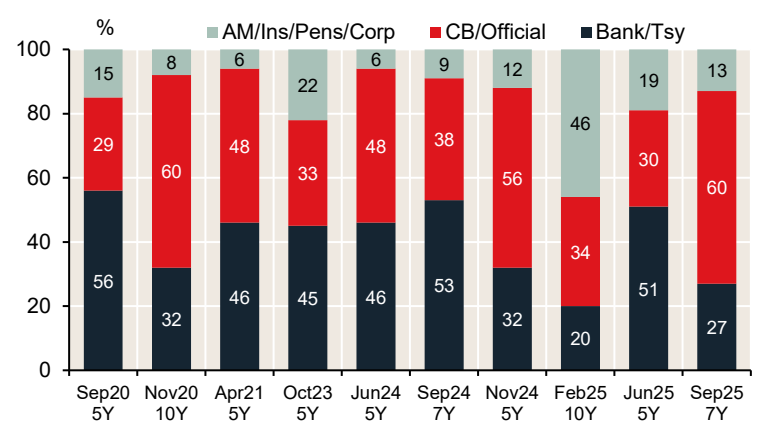
Investor distribution on IDA USD benchmark bond offerings: By geography



Source: NBC, IDA | Note: USD deals only (latest 10); refer to IDA for more details

Chart 8: ...with official money appetite particularly strong

Investor distribution on IDA USD benchmark bond offerings: By investor type

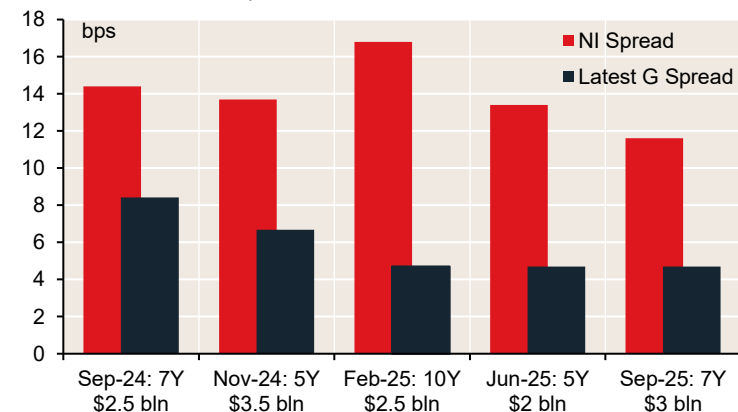


Source: NBC, IDA | Note: USD deals only (latest 10); refer to IDA for more details

IDA has had a continuous presence in USD since the program's inauguration in 2018. Benchmark deal sizes have stepped up since 2018's debut, and transactions in the \$2-4bln range have been met with ample (and diverse) investor demand. The latest 7Y issue was distributed broadly across geographies and saw a record-tying allotment to central banks / official institutions.

Chart 9: IDA issuing (and then trading) tighter vs USTs

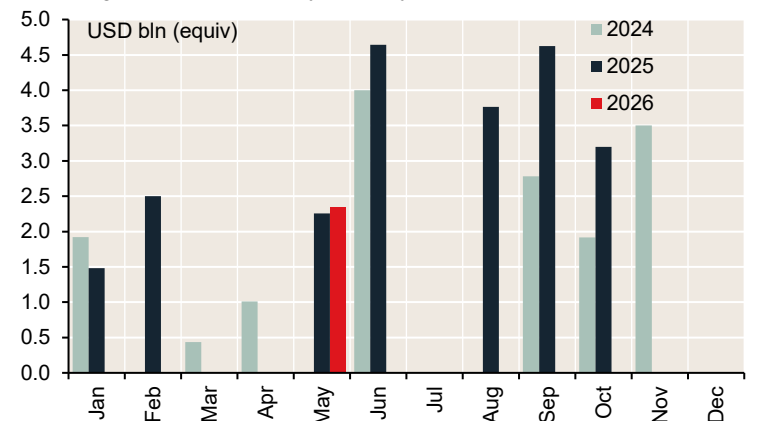
IDA WBG USD deals—G spread at new issue and current level



Source: NBC, Bloomberg | Note: USD benchmark deals only (latest 5)

Chart 10: IDA seasonal supply window(s) approaching?

IDA WBG gross bond issuance by month / year



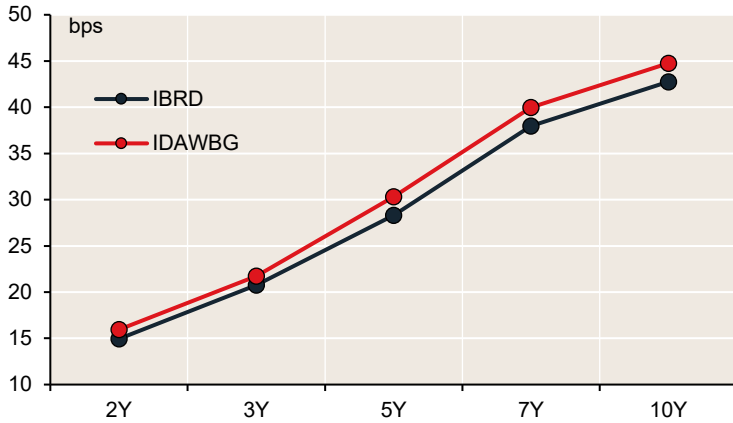
Source: NBC, Bloomberg

IDA's latest 7Y USD outing priced tighter than where they issued at the 5Y point just months prior, even with a larger deal size. It compares favourably to Sep-24's 7Y issue as well, though all new issues have experienced notable spread compression. With one month to go in the FY and a seasonal issuance window(s) ahead, we'd expect IDA bonds to trade well at the break once again.



Chart 11: IDA bonds still offer incremental value vs peers...

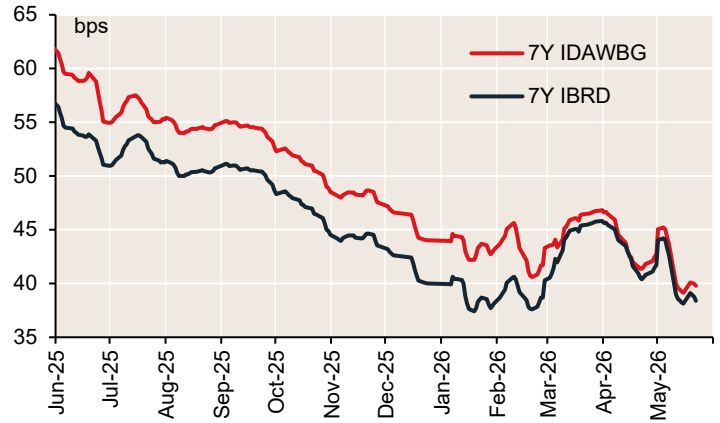
SOFR spread indications for select SSA issuers, by tenor



Source: NBC

Chart 12: ...with flat trading vs other 'Tier 1' entirely justified

SOFR 5Y spread indications for select SSA issuers

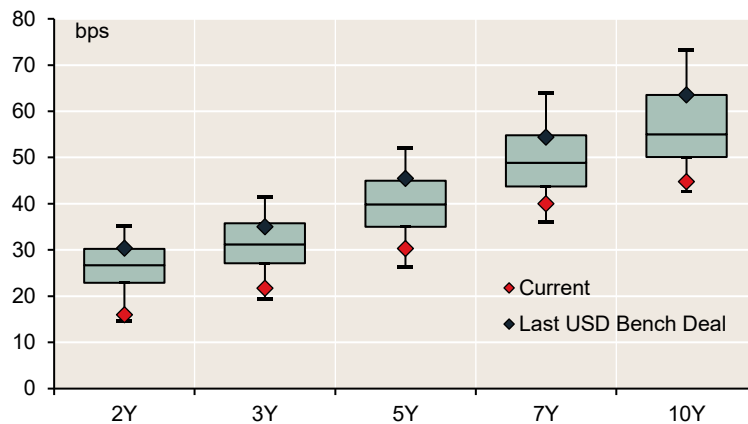


Source: NBC | Note: Values are 5 day moving averages

With the most recent IDA benchmark being priced ~12bps over the sovereign curve, a yield pick is still offered up relative to other AAA-rated peers. The basis has (appropriately) narrowed, however—following the SEC exemption announcement, IDA's credit curve flattened vs IBRD (where G- and SOFR-spreads have already logged notable performance over the past year).

Chart 13: Spread compression notable since last deal...

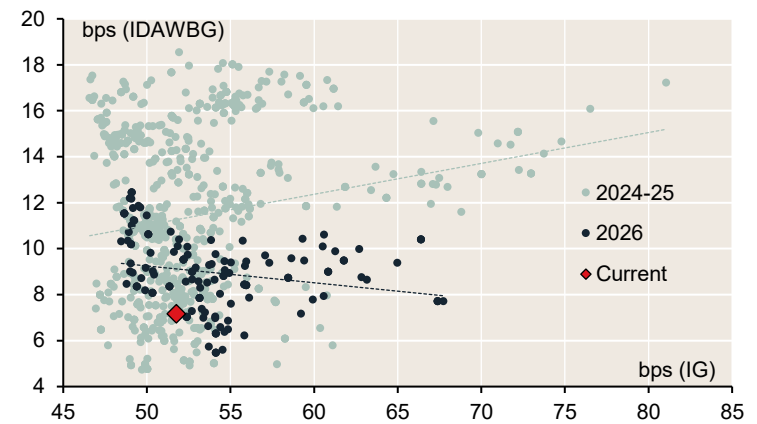
12M trading range of IDA bonds vs SOFR—current and lookback



Source: NBC, | Note: Last IDA USD benchmark deal date on 10-Sep-2025 (\$3 bln 7Y); box denotes 2nd and 3rd quartile; markers denote spread as at latest read and on prior deal date

Chart 14: ...with rich(er) valuations to IG more recently

IDAWBG 5Y constant maturity G-spread vs CDX IG 5Y since 2024



Source: NBC, Bloomberg | Note: Each data point represents one trading day; constant maturity proxy used by rolling most relevant USD IDAWBG issue and backdating G-spreads via BBG

As mentioned, IDA is trading flatter to comparable SSAs, and has enjoyed spread compression seen more broadly throughout the space over the past year. Well-absorbed deals in primary have led to better-bid issues at the break—secondary valuations to other IG credit are off their richest levels, but IDA's fundamentals and growing liquidity suggest there's scope for further outperformance.

International Development Association (IDA) – Issuer Profile

Ticker Status Ownership		
IDAWBG	Supra / MDB	81 Members
Credit Rating		
S&P: AAA	Moody's: Aaa	Fitch: -
Debt & Borrowing		
Amount O/S	USDbln (equiv)	65.65
W.Avg Term	Years	8.14
W.Avg Fixed Cpn	%	2.89
Due in 2026	USDbln (equiv)	1.45
No. of Issues	#	41
Currency Composition	% of Total	USD: 35.8 EUR: 47.3 GBP: 10.9 Other: 6.0
EU Basel III R.W.	%	0.0

Note: IDA is now an SEC Exempt issuer as of March 6, on the same footing as IBRD, IFC and others

Legal Disclaimer from IDA (more from the issuer [here](#)):

Effective March 6, 2026, securities issued or guaranteed by the International Development Association are "exempted securities" within the meaning of Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934 (see Consolidated Appropriations Act, 2026).

IDA can legally offer and sell its securities without registering its securities with the SEC or relying on other common exemptions from registration. IDA expects to file with the SEC (i) unaudited quarterly financial statements, (ii) an annual audited financial statement, and (iii) an annual report, once the SEC has issued relevant regulations in this regard. IDA's financial statements and annual reports are currently publicly available.

The IDA GDIF prospectus and other offering documents have been updated to reflect the "exempted securities" status. They are posted [here](#) ([link](#))

Source: NBC, Bloomberg | Note: DDIS Data as at 27-May-2026; for all DDIS data presented, issuer classification (current) is per Bloomberg; investors are encouraged to also consult issuer material directly; credit ratings are stable outlook, unless otherwise stated



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